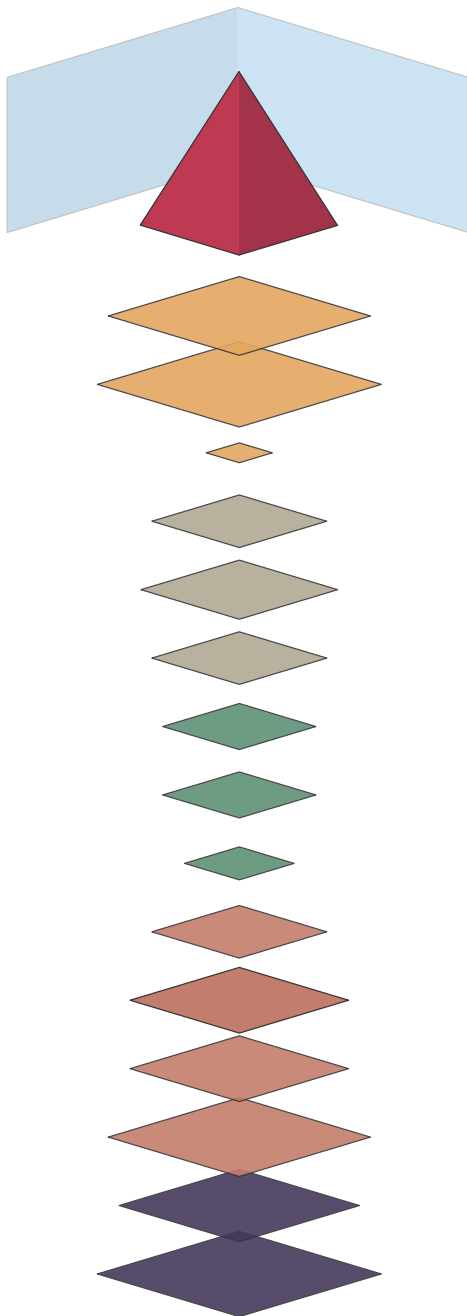


HUNGARY



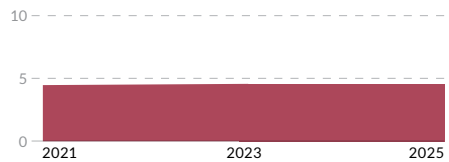
4.62^{0.00}

CRIMINALITY SCORE

125th of 193 countries ↘4

28th of 44 European countries ↘2

15th of 17 Central and Eastern European countries ↘1



CRIMINAL MARKETS

4.53 ↘0.20

HUMAN TRAFFICKING **6.00** ↘0.50

HUMAN SMUGGLING **6.50** 0.00

EXTORTION & PROTECTION RACKETEERING **1.50** ↘0.50

ARMS TRAFFICKING **4.00** ↘0.50

TRADE IN COUNTERFEIT GOODS **4.50** ↗0.50

ILLICIT TRADE IN EXCISABLE GOODS **4.00** 0.00

FLORA CRIMES **3.50** ↘0.50

FAUNA CRIMES **3.50** ↘0.50

NON-RENEWABLE RESOURCE CRIMES **2.50** ↘1.00

HEROIN TRADE **4.00** ↘1.00

COCAINE TRADE **5.00** 0.00

CANNABIS TRADE **5.00** ↘0.50

SYNTHETIC DRUG TRADE **6.00** 0.00

CYBER-DEPENDENT CRIMES **5.50** ↗0.50

FINANCIAL CRIMES **6.50** ↗1.00



CRIMINAL ACTORS

4.70 ↗0.20

MAFIA-STYLE GROUPS **1.00** 0.00

CRIMINAL NETWORKS **4.00** 0.00

STATE-EMBEDDED ACTORS **7.50** ↗0.50

FOREIGN ACTORS **5.50** 0.00

PRIVATE SECTOR ACTORS **5.50** ↗0.50



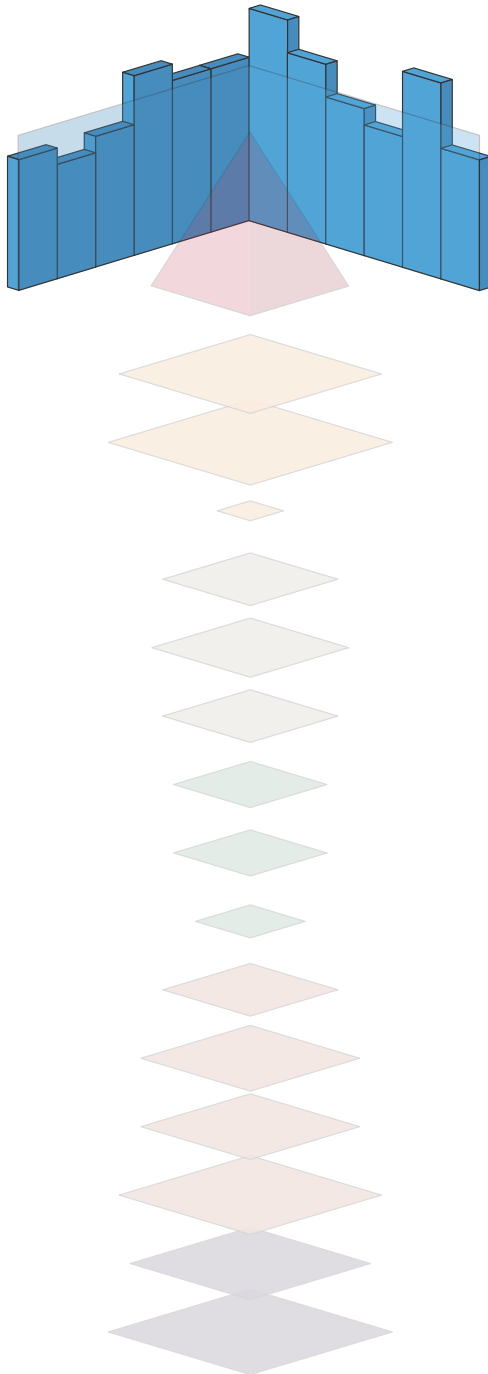
This project was funded in part by a grant from the United States Department of State.



Funded by the European Union

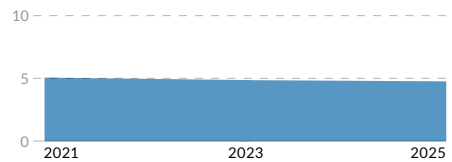
ENACT is funded by the European Union and implemented by the Institute for Security Studies and INTERPOL, in affiliation with the Global Initiative Against Transnational Organized Crime.

HUNGARY



4.79 ↘0.09
RESILIENCE SCORE

97th of 193 countries ↘1
38th of 44 European countries ↘1
12th of 17 Central and Eastern European countries ↘1



POLITICAL LEADERSHIP AND GOVERNANCE	4.00 <small>↘0.50</small>
GOVERNMENT TRANSPARENCY AND ACCOUNTABILITY	3.50 <small>0.00</small>
INTERNATIONAL COOPERATION	4.00 <small>↘0.50</small>
NATIONAL POLICIES AND LAWS	5.50 <small>↗0.50</small>
JUDICIAL SYSTEM AND DETENTION	5.00 <small>0.00</small>
LAW ENFORCEMENT	5.00 <small>0.00</small>
TERRITORIAL INTEGRITY	6.50 <small>0.00</small>
ANTI-MONEY LAUNDERING	5.50 <small>0.00</small>
ECONOMIC REGULATORY CAPACITY	4.50 <small>0.00</small>
VICTIM AND WITNESS SUPPORT	4.00 <small>↘0.50</small>
PREVENTION	6.00 <small>0.00</small>
NON-STATE ACTORS	4.00 <small>0.00</small>



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CRIMINALITY

CRIMINAL MARKETS

PEOPLE

Hungary serves as a source, transit and destination country for human trafficking, with victims being exploited for sexual purposes and forced labour. Hungarian nationals – particularly women and minors from marginalized communities – are especially highly vulnerable, while foreign nationals from Eastern Europe and Asia are also affected. Both Hungarian and foreign victims are subjected to labour trafficking, particularly in the agriculture, construction and hospitality sectors. According to official reports, domestic labour trafficking is on the rise, with individuals in extreme poverty, undereducated young adults, asylum seekers, single mothers, children in state-run institutions, people with disabilities, homeless men and members of the LGBTQI+ and Roma communities being particularly at risk. Hungarian victims are frequently identified abroad, with Austria, Germany, the Netherlands, Switzerland and the UK serving as primary destination countries. Recently, Denmark, Finland and Sweden have emerged as new destinations for sex trafficking, indicating an expanding trend towards the Nordic region. Hungarian traffickers operate both domestically and internationally, with victims identified across multiple Western European countries. Recruitment often occurs through social media and fraudulent job offers, further exacerbating the risks faced by vulnerable populations.

Hungary serves as a key transit country for human smuggling, with daily attempts to cross its borders, particularly from Serbia and Romania en route to Western Europe. The market for smuggling has expanded due to increased migratory pressure and heightened border controls. Smuggling networks involve both domestic and foreign actors, including Romanian, Moldovan, Bangladeshi, Iraqi, Afghan, Moroccan and Syrian nationals. Reports indicate links between Afghan smuggling groups and Taliban intelligence services. Smuggling operations are often violent, with criminal groups arming themselves with illicit weapons sourced from Albanian and Serbian networks, resulting in clashes. The redirection of smuggling routes to Bosnia and Herzegovina suggests a shift in the region's dynamics. While authorities have conducted joint operations, Hungary's recent release of over 2 000 convicted smugglers, reportedly due to EU budgetary pressure, has been criticized for undermining deterrence.

Extortion and protection racketeering are not widely reported in Hungary. While minor cases have been noted in the private sector, extortion practices are declining due to improved detection measures. Criminal actors have shifted towards economic crimes, thereby reducing their reliance on traditional extortion rackets.

TRADE

Illicit arms trafficking is not a significant market in Hungary. Criminal networks operate discreetly and avoid large-scale transactions. However, there have been reports of arms trafficking to Romania, including the shipment of illicit firearms through courier services. Recent investigations have uncovered a network supplying weapons to multiple counties in Romania.

Hungary serves as both a transit and a destination country for counterfeit goods. The domestic consumer market for counterfeit goods in Hungary is limited as the legal market is extremely regulated. Nevertheless, Hungary ranks among the top transit points in Europe for counterfeit products, including clothing, pharmaceuticals and electronics. Customs seizures of counterfeit goods remain substantial, with the majority of items originating from East Asia.

The illicit trade in excisable consumer goods, particularly tobacco and alcohol, remains prevalent. Despite an overall decline in smoking rates, the illegal cigarette market has expanded, with seizures in 2024 tripling compared to the previous year. Although it is unclear whether this reflects an actual market expansion or improved law enforcement effectiveness, the higher volumes suggest that tax evasion remains a significant driving factor. Reports suggest that organized crime networks control this trade, while illegal alcohol production for export to Western Europe constitutes a substantial portion of the market.

ENVIRONMENT

Illegal logging has increased in Hungary, largely driven by rising energy costs since 2019. While most cases involve local communities harvesting firewood rather than organized crime, some criminal networks operate in Hungary's Carpathian Forest, targeting high-value timber for international sale. Conservationists warn of the impact on biodiversity, particularly during breeding and growing seasons.

Although the scope and scale of fauna crimes is not extensive, poaching appears to be an issue in Hungary, especially in rural areas. The most commonly targeted species include deer and wild boar, with illegal hunting driven largely by local demand for meat and sport. The scale of illegal hunting is difficult to quantify due to underreporting; however, financial losses are estimated to be in the millions. Hungary's role in songbird trafficking to Italy has diminished, and overall, the country's involvement in transnational fauna crimes appears to be declining.

Non-renewable resource crimes have decreased in Hungary. Large-scale smuggling of fuel and minerals, once significant,

has diminished due to stronger regulations and industry decline. However, smaller-scale fuel smuggling from Poland and Austria continues to pose risks.

DRUGS

Hungary continues to serve as a transit country for heroin, primarily smuggled along the Balkan route toward Western Europe. The domestic heroin market is relatively small, with heroin-related offences constituting a minor portion of drug-related crimes. The ongoing war in Ukraine is anticipated to further decrease the volume of heroin trafficked through Hungary.

The number of cocaine seizures has risen continuously, particularly during the drug's distribution at the retail level. Cocaine is mainly transported by road from Spain or the Netherlands, or is directly imported by air from South America. Recent seizures of substantial volumes of cocaine highlight Hungary's role as a transit point for cocaine moving eastward. While online cocaine sales are on the rise, consumption rates in Hungary remain among the lowest in Europe.

Cannabis is the most widely used illicit drug in Hungary. The country functions as a transit and destination point for cannabis shipments originating from the Netherlands and the Western Balkans. While most cannabis is trafficked into Hungary, domestic production is on the rise. Authorities have dismantled local cannabis plantations, indicating that Hungary may be evolving into a minor source country. Nevertheless, the country's cannabis market is still described as moderate, with a low-level cannabis production industry.

Hungary serves as a key transit hub for synthetic drugs, including amphetamines and methamphetamines, as they move from Western Europe to the Western Balkans. Precursors also transit through Hungary in significant volumes. The use of synthetic cannabinoids has surged, particularly among marginalized communities. The COVID-19 pandemic has further accelerated the growth of online drug markets, with synthetic substances often sold through darknet platforms. A major seizure of precursor chemicals at the Austrian border highlights Hungary's role in regional trafficking.

CYBER-DEPENDENT CRIMES

Cybercrime is on the rise in Hungary, with businesses increasingly becoming targets of ransomware attacks. Distributed Denial of Service (DDoS) attacks against independent media outlets raise concerns about cybercrime being used as a means of political interference. Reports indicate that cyber-dependent crimes are primarily committed by individuals or small domestic groups, rather than large organized crime networks. Nevertheless, the sophistication of cyber threats is increasing, particularly with the advent of artificial intelligence.

FINANCIAL CRIMES

Financial crimes in Hungary are primarily linked to corruption, embezzlement, and the misuse of public and EU funds. High-profile scandals have implicated politically connected businesses, raising allegations that state procurement processes are manipulated to benefit select bidders. The European Anti-Fraud Office has identified Hungary as having the highest rate of financial recovery recommendations among EU member states. While certain regions have seen a decrease in financial crimes, major urban centres continue to report elevated levels of fraudulent activity.

CRIMINAL ACTORS

There are no documented hierarchical criminal organizations involved in activities such as drug trafficking, extortion or territorial control that would qualify as mafia-style groups.

Loose criminal networks are prevalent across various illicit markets in Hungary. These groups are particularly active in human trafficking, human smuggling, drug trafficking and crimes involving flora and fauna. They operate opportunistically, adapting to market demands while evading centralized control. Additionally, available information indicates that loosely organized hacker groups are contracted by state-affiliated actors to carry out cyberattacks, particularly DDoS attacks targeting independent media outlets.

Hungary faces a well-documented issue with corruption among state-embedded actors, particularly in financial crimes and public procurement fraud. The country has one of the highest levels of perceived corruption within the EU, with state actors diverting public and EU funds to businesses with political connections. Recent corruption cases underscore the extent to which high-ranking officials are implicated in financial misconduct. Additionally, political elites reportedly utilize informal patron-client networks to extend their influence over lower-level institutions, including local governments and various economic sectors. There are also indications that state actors have engaged domestic hacker groups to suppress independent media through targeted cyberattacks.

Foreign criminal groups maintain a presence in Hungary, particularly in the areas of money laundering and illicit trade. Reports indicate that Italian, Albanian and Georgian mafia-style groups are active within the country. In early 2023, Hungarian law enforcement, in cooperation with Eurojust, conducted an operation targeting the 'Ndrangheta, which resulted in multiple arrests and the seizure of assets linked to international money laundering activities. Additionally, reports also suggest that members of the Camorra, Cosa Nostra and Sacra Corona Unita have engaged in criminal activities in Hungary, especially in money laundering and illegal lending operations. Hungarian and Serbian criminal groups work together in drug trafficking and

migrant smuggling, highlighting strong regional criminal ties. Furthermore, organized smuggling groups from West Asia and Afghanistan are active in transporting individuals through Hungary, with some reports of violent altercations occurring at the country's borders.

The private sector in Hungary is closely intertwined with political influence, particularly regarding corruption and public procurement. Business entities with strong ties to the ruling political elite often receive preferential treatment, benefiting from state contracts and access

to public funds. These practices have drawn criticism from international watchdogs, which allege that Hungary has systematically funnelled EU resources to politically connected businesses. While many of these activities remain within legal frameworks, they contribute to systemic corruption and economic distortions. Companies affiliated with the ruling party have a significant presence across various economic sectors, reinforcing concerns about the intersection of politics and financial crime.

RESILIENCE

LEADERSHIP AND GOVERNANCE

Hungary's political leadership is characterized by a strong central government, supported by a two-thirds parliamentary majority. This majority enables the ruling party to take decisive action, particularly in matters of border security and law enforcement. Since the onset of the Ukraine war, the government has maintained a state of emergency, which allows it to issue decrees with minimal restrictions. Critics argue that this has resulted in an excessive concentration of power, with over a thousand emergency decrees enacted, many of which are unrelated to the war. Hungary's governance has faced criticism for corruption, with reports indicating that state power has been used to monopolize markets and sustain oligarchic control. International observers have deemed the 2022 parliamentary elections severely flawed. Concerns about transparency persist, as the government has implemented only minimal reforms to meet EU funding requirements. Accusations of espionage against the opposition leader in 2024, including allegations of surveillance and attempts to discredit him, further highlight governance concerns.

Transparency and accountability remain significant issues. Although recent reforms which were a precondition for accessing EU funds were implemented in recent years, they are perceived as inadequate for restoring the rule of law. The National Protective Service has been effective in tackling low- and mid-level corruption; however, it is regarded as politicized and ineffective against high-level state actors. The national anti-corruption strategy fails to address corruption among top officials, and the lack of transparency regarding ministerial cabinet remuneration remains a concern. Despite recent legal changes, public access to government information has been further restricted, and the asset declaration system has been weakened.

Hungary has ratified international treaties concerning organized crime, including agreements with the UN and OECD. The country actively cooperates with Europol, Eurojust and INTERPOL, with Budapest serving as the location for an

INTERPOL National Central Bureau. However, Hungary's failure to implement decisions from the European Court of Human Rights, delays in judicial reforms, and tensions with the EU over migration policy and frozen EU funds have strained international cooperation. Additionally, Hungary has also lobbied to ease sanctions on Russia, further complicating its relationship with European partners.

Hungary's legal framework addresses various forms of organized crime, including human trafficking, money laundering and drug-related offences. Recent amendments have aligned the country's human trafficking laws with international standards; however, provisions regarding child sex trafficking remain inconsistent with global norms. While laws against human smuggling are enforced, the controversial decision to release over 1 400 convicted smugglers in 2024 has raised concerns about the government's commitment to combating this issue. Environmental crimes are covered under statutory provisions, with recent changes to hunting regulations affecting poaching laws. Cybercrime strategies have been in place since 2013, with updates in 2018, but gaps remain in tackling corruption at high levels.

CRIMINAL JUSTICE AND SECURITY

Hungary's judiciary faces challenges related to independence and the preservation of due process. Recent judicial reforms prompted the EU to unfreeze cohesion funds; however, concerns remain over political pressure exerted on the courts. Prosecutors have shown reluctance to investigate allegations of misuse of EU funds. The appointment of the Constitutional Court, which is composed entirely of nominees from the ruling coalition, has raised further questions about the judiciary's independence and impartiality. Additionally, high-level officials and pro-government media have publicly criticized court rulings that contradict the government's interests. Regarding the penitentiary system, the Hungarian detention centres have been grappling with overcrowding in recent years.

The Hungarian National Police investigates organized crime through specialized units, including the National Bureau of Investigation and the Asset Recovery Office, which focus on financial crimes as well as a National Environmental Security Taskforce to combat environmental crimes, among others. The Coordination Centre Against Organized Crime CCAOC analyzes crime trends; however, its operational impact remains unclear due to a lack of publicly available data. However, concerns persist regarding the politicization of law enforcement and reports of police misconduct.

As the country continues to be a key transit hub in the region, territorial integrity remains a priority, with a strong border control approach. Hungary's government has erected a border wall and increased patrols to combat irregular migration, although these measures have inadvertently fuelled the human smuggling industry. Clashes between smugglers and border forces have risen.

ECONOMIC AND FINANCIAL ENVIRONMENT

Hungary's anti-money laundering framework is overseen by the National Tax and Customs Administration and the Hungarian Financial Intelligence Unit. The country is a member of the Financial Action Task Force and has implemented the EU anti-money laundering directives. However, despite improvements in compliance with international standards, enforcement remains inconsistent. The complexity of the regulations may hinder small businesses, and the framework does not fully address emerging financial technologies. Hungary's economic regulatory environment receives mixed assessments. While the country is integrated into the European Single Market, concerns regarding corruption and state capture persist. The Integrity Authority, established in 2022, monitors fraud and corruption but possesses limited enforcement powers. The government has been accused of favouring domestic ownership over foreign investment, particularly in strategic sectors such as banking, media and energy. Public procurement remains a key area of concern, with a high percentage of contracts awarded through single-bidder tenders, often involving businesses linked to the government. Despite regulatory improvements, access to EU funds remains uncertain due to ongoing concerns regarding financial transparency.

CIVIL SOCIETY AND SOCIAL PROTECTION

Hungary's victim and witness support systems face challenges. Despite improvements in human trafficking protection mechanisms, gaps persist in the identification and support of victims, particularly for foreign nationals

lacking legal residency. Victim assistance is generally limited, raising concerns about the treatment of children in state institutions. Systemic issues within the child protection system contribute to these vulnerabilities, including underfunding and overcrowding. The dismantling of Hungary's asylum system has driven refugees toward organized crime networks, further exacerbating the situation. Hungary implemented a new 2024-2034 National Crime Prevention Strategy, identifying several priority areas for action, including public safety and education. In its efforts to combat human trafficking, Hungary continued to implement its national anti-trafficking action plan, allocating responsibilities across agencies and setting goals, including creating specialized services for male victims. Nonetheless, gaps persist in areas such as victim screening and prosecutions, among others. In response to the influx of Ukrainian refugees, the government disseminated anti-trafficking materials in key transit areas. While drug policy emphasizes prevention and treatment, it is hindered by limited harm-reduction services and high mortality rates. Cybercrime awareness is lower than the EU average, despite Hungary's heightened risk of regional exposure.

Civil society organizations operate under significant constraints, particularly those involved in human rights and refugee support efforts. NGOs assisting asylum seekers have faced legal restrictions under Hungary's 'Stop Soros' laws, which have been deemed a violation of EU law but continue to limit NGO operations. The government frequently scapegoats independent organizations, accusing them of being influenced by foreign interests. Press freedom is also a concern, as the government controls a significant portion of the media landscape. Independent outlets face political, economic and regulatory pressures that limit their ability to hold authorities accountable. State-aligned media dominate election coverage, marginalizing opposition voices. Disinformation campaigns have been extensively employed in political narratives, particularly during the 2024 European Parliament elections. Despite these challenges, civil society organizations continue to provide essential services, particularly in human trafficking victim support and advocacy. However, legal and regulatory pressures remain significant barriers to their operations. Media restrictions further hinder investigative journalism, making transparency and accountability increasingly difficult to achieve.

This summary was funded in part by a grant from the United States Department of State. The opinions, findings and conclusions stated herein are those of the authors and do not necessarily reflect those of the United States Department of State.